

BUDGET HIGHLIGHTS - Continued

PROJECTED GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENTS TO MATURITY AS OF JUNE 30, 2021

<u>Year</u>	<u>General Purpose</u>
2022	20,303,213
2023	20,321,658
2024	20,456,345
2025	17,951,545
2026-2030	80,031,560
2031-2035	68,845,347
2036-2040	36,019,243
Total	<u>\$263,928,911</u>

LEASING FUND

PROGRAM DESCRIPTION

Accumulates annual payments from City departments to make lease payments to the North Carolina Municipal Leasing Corporation (NCMLC).

Assists the City in acquiring real and personal property through the issuance of limited obligation bonds (LOBs) to fund the purchases. The corporation leases the property to the City, which provides lease payments that cover the interest and principal on the LOBs as follows: governmental funds make equal annual payments over a five-year period and proprietary funds make the same scheduled payments with the addition of an annual interest payment at a rate of 5.5%.

Goals of the City's leasing program are as follows: (1) reduce acquisition costs of real and personal property for the City by providing a low cost leasing program through the periodic issuance of LOBs, (2) increase productivity by making the purchase and budget decision concentrate on 'what is needed to do work?' rather than 'how much equipment can the City afford?', and (3) improve replacement policies and reduce on-going maintenance costs by making optimum replacement affordable.

EXPENDITURES AND REVENUES SUMMARY

EXPENDITURES BY TYPE	Actual FY 19-20	Budget FY 20-21	Proposed FY 21-22	Percent Change
Principal Retirement	\$15,900,000	\$11,400,000	\$6,405,000	-43.8%
Interest Payments	716,652	726,230	520,720	-28.3%
Fiscal Charges	119,644	0	0	N/A
Transfer to General Fund	9,180	37,730	93,900	148.9%
Total Expenditures by Type	\$16,745,476	\$12,163,960	\$7,019,620	-42.3%
RESOURCES BY TYPE				
Lease Payments – City	\$22,301,260	\$12,030,210	\$8,263,770	-31.3%
Lease Payments – Outside Agencies	415,861	414,370	233,030	-43.8%
Investment Income	369,844	0	0	N/A
Fund Balance Appropriation	0	0	0	N/A
Total Resources by Type	\$23,086,965	\$12,444,580	\$8,496,800	-31.7%
Addition to Fund Balance	\$6,341,489	\$280,620	\$1,477,180	426.4%

BUDGET HIGHLIGHTS

- The FY proposed budget includes payments of \$8.5 million to retire previously authorized LOBs and a \$93,900 transfer to the general fund to cover the salary and benefits for a Financial Analyst position which oversees the North Carolina Municipal Leasing program. The adopted budget includes a \$1,477,180 addition to fund balance.

LEASING EQUIPMENT ACQUISITION FUND

PROGRAM DESCRIPTIONS

Accounts for the total cost of capital equipment, including computer hardware, for governmental funds that is financed through the North Carolina Municipal Leasing Corporation. City departments make annual lease payments of one-fifth of the purchase price to pay off the debt. With the exception of computers, the City lease-purchases equipment that costs \$10,000 or more.

EXPENDITURES AND REVENUES SUMMARY

EXPENDITURES BY TYPE	Actual	Budget	Proposed	Percent
Capital Outlay	<u>FY 19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>Change</u>
Rolling Stock	\$2,048,234	\$4,780,000	\$10,212,730	113.7%
Computer Equipment	281,340	0	247,200	100.0%
General Equipment	416,860	274,440	2,534,260	823.4%
Other	806,346	808,800	25,000	-96.9%
Total Expenditures by Type	\$3,552,780	\$5,863,240	13,104,190	123.5%
RESOURCES BY TYPE				
North Carolina Municipal Leasing Corporation	\$3,552,780	\$5,863,240	\$13,104,190	123.5%
Total Resources by Type	\$3,552,780	\$5,863,240	\$13,104,190	123.5%

BUDGET HIGHLIGHTS

- The proposed budget for the leasing equipment acquisition fund is increased \$7,240,950 or 123.5%. Vehicle and equipment replacements include a fire truck, police cars, sanitation trucks, and other equipment and rolling stock.
- The complete list of capital outlay to be financed through the North Carolina Municipal Leasing Corporation in FY 2021-22 can be found in the Supplemental Information section of this document.